

STATEMENT OF BASIS

September 8, 2006

The New Jersey State Department of Environmental Protection (NJDEP) is seeking public comments on its intent to approve an air pollution control Operating Permit Renewal for Hess Corporation, pursuant to the provisions of Title V of the Federal Clean Air Act, the federal rules promulgated at 40 CFR 70, and the state regulations promulgated at N.J.A.C. 7:27-22. These rules require existing facilities with a potential to emit major amounts of air contaminants to obtain an operating permit which specifies the air pollution control requirements that apply to the facility; the maximum amount of air pollutants which can be emitted; and the monitoring, recordkeeping, and reporting requirements to assure compliance.

Hess Corporation is located at Lower Hook Road, Bayonne, NJ and consists of three #6 Fuel Oil Fired boilers. This facility is owned and operated by Hess Corporation.

The facility is classified as a major facility based on its potential to emit 81.6 tons per year of Nitrogen Oxides to the atmosphere. It is not a major hazardous air pollutant (HAP) facility. A major HAP emitting facility is designated as major when the allowed emissions exceed 10 tons per year of any individual hazardous air pollutant or 25 tons per year of any combination of individual hazardous air pollutants that may be emitted simultaneously.

The draft permit does not allow hazardous air pollutant to be emitted above the reporting threshold per Appendix A and B in N.J.A.C.7:27-22.

The equipment that emits air contaminants from this facility include: three #6 Fuel Oil Fired Boilers

The Responsible Official at the facility has certified that the facility currently meets all applicable requirements of the Federal Clean Air Act and the New Jersey Air Pollution Control Act. Based on this certification, and the Department's evaluation of the information included in the facility's application, the Department has concluded that this air pollution control operating permit should be approved to allow operation of the existing facility for five years. Prior to the expiration of the five year period, the facility will be required to apply for a renewal of this operating permit, at which time the Department will evaluate the facility and issue a public notice with its findings.

The operating permit includes monitoring, recordkeeping and reporting requirements that are sufficient to demonstrate the facility's compliance with the applicable requirements consistent with the following:

1. Provisions to implement the testing and monitoring requirements of N.J.A.C. 7:27-22.18, the recordkeeping and reporting requirements of N.J.A.C. 7:27-22.19, and all emissions monitoring and analysis procedures or compliance assurance methods required under the applicable requirements, including any procedures and methods promulgated pursuant to 40 CFR 64; and
2. Where the applicable requirement does not require direct periodic monitoring of emissions, the Department requires periodic monitoring of surrogate parameters sufficient to yield reliable data from the relevant time period that are representative of the facility's compliance with the permit. Such monitoring requirements include monitoring of fuel consumption.

The conditions of approval for this operating permit are based on conditions of approval in all preconstruction permits for equipment at this facility, and on applicable requirements in state and federal air pollution control rules. Pursuant to N.J.A.C. 7:27-22.33, all preconstruction permits issued to this facility have been incorporated in this operating permit. Each condition in the permit includes the citation

of the applicable requirement on which the condition is based. Please refer to the attached explanation sheet for the structure and configuration of conditions of approval, included in the Facility Specific Requirements section of this permit.

FACILITY NAME (FACILITY ID NUMBER)

BOP050001

Activity Number
(assigned by the
Department)

New Jersey Department of Environmental Protection Facility Specific Requirements

Emission unit number
(assigned by the
facility)

Brief description of emission unit

Emission Unit: U1 25 MM BTU/hour Boiler burning Fuel Oil and Natural Gas
Operating Scenario: OS Summary OR OSXX Boiler burning Fuel Oil

OS Summary lists all rules and requirements that apply to an emission unit, regardless of operating scenarios. Emission unit may contain one or more pieces of equipment and the corresponding operating scenarios

OSXX denotes the operating scenario number and lists the rules and requirements that apply to a particular scenario. An operating scenario represents various ways (or scenarios) a piece of equipment can operate.

Records to be kept

Submittal
requirement

Item
Number

Description of applicable
requirement

Air contaminants

Monitoring method to
ensure compliance

Actions to be
taken by the
facility

Ref.#	Applicable Requirement	Monitoring Requirement	Recordkeeping Requirement	Submittal/Action Requirement
1	Conduct a comprehensive stack test at emission point PTXX at least 18 months prior to the expiration of the approved operating permit to demonstrate compliance with the <u>CO</u> , <u>NOx</u> , <u>TSP</u> and <u>VOC</u> emission limits.[N.J.A.C. 7:27-22.16(e)]	Other: <u>Stack emission testing</u> . Stack test shall be conducted for CO, NOx, TSP, and VOC emissions (add language as needed). Based on any 60 minute period. [N.J.A.C. 7:27-22.16(e)]	Other: <u>Stack test results</u> . [N.J.A.C. 7:27-22.16(e)]	Stack Test - <u>Submit a protocol, conduct stack tests, submit results</u> : As per the approved schedule. <u>Submit a stack test protocol to the Bureau of Technical Services (BTS)</u> at PO Box 437, Trenton, NJ 08625 at least 30 months prior to the expiration of the approved operating permit. [N.J.A.C. 7:27-22.18(e)] and [N.J.A.C. 7:27-22.18(h)]

Rule citation (subchapter, section, and paragraph) for the applicable requirement

Rule citation for the monitoring requirement

Rule citation for the recordkeeping requirement

Rule citations for the submittal/action requirement

Explanation Sheet for Facility Specific Requirements